3/Royal Institute of International Affairs U-4 (no date)1954 II Middle East

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refinery is running on imported crude oil at about ¼ quarter of its capacity. There exists an IPC refinery at Tripoli which treats over half a million tons of crude a year (10,000 barrels a day) for the needs of Syria and Lebanon which it cannot fully supply; accordingly, its extension has been under discussion. Construction has begun on a refinery for 7,000 barrels a day at Sidon for Mediterranean Refining Company (California Texas Corporation), but while the Syrian market is still too small to justify the erection of a refinery, the Syrian Government nevertheless wishes to have a refinery established in the country to meet its own needs, and negotiations to this end with IPC and with the World Bank have recently taken place.[1]

Under the Barcelona Convention of 1926 dues are not leviable on transit trade, but the two countries draw, under their agreements with the pipeline companies, a sizable revenue from petroleum apart from the indirect benefits caused by employment by the oil companies. At the time of writing the agreements between the two Governments and the two oil companies are under review but no precise details are available, though the two Governments began by demanding that they should receive jointly a half share of the saving which the companies made by using the pipelines instead of having to transport their oil to the Mediterranean by tanker. Even if this principle were accepted, the difficulty would remain of establishing a satisfactory formula for calculating the saving. The agreement with Tapline is believed to provide Lebanon with about £L4½ million a year. The oil companies bring foreign exchange into Syria and the Lebanon and the currency is surrendered to the Governments at the official rate but can thereafter be resold at the rate applying to the free market which may bring to the Governments a profit of a third. The problem is that Syria and Lebanon are, in fact, not oil-producing states and, although their needs and desires for foreign money may be as great as Iraq's, it is difficult to see how they can expect to obtain from petroleum the same revenue as do the states where it is produced.

Communications

In general, roads provide a cheaper and quicker means of transport than the railways which are mostly running at a loss. The railway lines are:

The Hejaz Railway. A narrow (3 ft 5 in.) gauge track runs from the centre of Damascus to Deraa (88 miles) and thence

[1] See *Petroleum Press Service*, February 1953, p. 53.

T: Gulick E-5 (1952) 1955 ME1 Lebanon ME1

the distinction between "unemployed" and "retired" among the older men is not at all easy to make. It depends, essentially, on the attitudes of the men himself and his family. In the second place, among the younger men especially, the distinction between "village workers" and "unemployed" is not entirely clear. The "village workers" mostly are either hired farm hands or assistants to "village specialists." In most cases, it was not easy to tell, however, how steady their work was. In the third place, it is quite possible that some of those in the "city worker" class are actually unemployed most of the time.

The class of "farmer" (*fillaḥ*) is very distinct. A farmer is a man who not only owns his own property, but works it for the support of himself and his family. Most of the farmers in Murṣīf also tend the agricultural property of fellow villagers who are not farmers. This is done, apparently, largely on a cash basis. The standard fee for a day's plowing, for example, was reported to be ten Lebanese pounds (about two dollars and a half).

It was said, "Before (i.e., before emigration and city jobs), we were all *fillaḥīn*." Now there are only ten farmers, and all of them except one are middle aged or elderly men. The exception is a young man of twenty-eight, a member of lineage XX, who evidently intends to make farming a career. He has made a realistic appraisal of the very difficult agricultural conditions in the village itself, and has acted accordingly with considerable initiative. Shortly after World War II he bought some unused land on the southern rim of Wadi Ba'ishta, just outside the Qurṭi, close to the present terminus of the irrigation channel which brings water from the River Ibrahim (see Figs. 1 and 2). Considerable blasting with dynamite was necessary in the preparation of terraces, and earth had to be transported to the site. But with irrigation water he has already been able to develop a very impressive banana orchard which presumably has brought quick profits (cf. Keen, 1946, p. 82), and he said that he plans to expand in the near future. It is significant that he had to go outside the village territory to accomplish his ends.

The nature of the "village specialist" class can better be understood when it is broken down into subcategories, with the number of persons involved in each, as follows:

Mayor	1	Fisherman	3
Taxi driver	1	Surveyor	1
Barber	2	Mason	2
Priest	1	Carpenter	2
Storekeeper	8	Teacher	4

Part-time jobs held by various men most of whom are included in the tabulation above are: storekeeper (the priest), two bakery owners (a teacher and a farmer), and a crop guard (*naṭaw*, traditionally a very important position). Two men, still living, were once shoemakers, and another was a muleteer part-time. In the population as a whole there are at least six former teachers and five former muleteers

7: Gulick E-5 (1952) 1955 ME1 Lebanon ME1

"The Americans" as the villagers call their relatives in the United States, are concentrated in and around Vicksburg, Mississippi. There are families, also, in Shreveport, Louisiana, and in Marshall, Texas. There are a few in Mexico, Brazil, Argentina, and Australia. One returnee, in particular, spoke English with a noticeable Southern accent. The remarks of another returnee indicated an identification with the Southern whites as a caste as against the Negroes.

LAND OWNERSHIP, UNEMPLOYMENT, RETIREMENT

Marqus Jurjs al-Khouri, the founder of the village, divided the village territory into three equal sections, one for each of his sons. He did this by, as it were, trisecting the triangle at its apex (the eastern extremity of the village, now occupied by the houses). The three triangular strips running down to the sea which were thus created provided the land-property bases for the maximal lineages. To some extent, the ownership pattern of the houses still reflects this division, with Maximal Lineage B concentrated in the north, C in the south, and A in between (see Fig. 5). The corresponding pattern for the village territory as a whole, however, has long since been obliterated by sales and extra-maximal lineage inheritance. The land-holdings are not clustered by minimal lineage either. Most of the land in the village is held in individual private ownership (*mulk*), and nearly all the adult males own property in this manner. Along the shore there are some plots which are *mushaa* (communal) land to the maximal lineages. "They were never divided because they are worthless; the salt kills the plants." There are four large sections of *waqf* (land which has been put in trust). These will be discussed in the next chapter.

From what has been said before in this chapter, it can be deduced that most of the men do not derive all or even most of their income from the land they own. However, as far as could be determined, each landowner, even though he may be a white-collar worker in the city, maintains his plots (*qaa'a*), which are usually widely scattered over the village territory, with the assistance of a resident farmer or village worker.

Many of those of whom it was said "he does nothing" (unemployed) or "he no longer works" (retired) actually derive some income by this means, but probably very few in the village could entirely support themselves and their families without money from other sources as well. The young unemployed, as has been mentioned, are from a superficial perspective difficult to distinguish from village workers if they are unmarried and living with members of their family. There are a few cases of heads of households who clearly depend on the help of other members of the family in supporting it. We can say that a man has retired when he does nothing and when no hopes of employment are held. A large number of the men in their sixties and all those over seventy were in this class. Nevertheless, most of these retired men continued to putter about their terraces, pretty actively in some cases.

7: Gulick E-5 (1952) 1955 ME1 Lebanon ME1

at a time can be placed. The whole thing is inserted into the oven, and the disks are shaken off the board. After about a minute in the oven, bubbles appear on the surface of a disk, and then the whole thing puffs up until it looks like a large pin-cushion. It remains in the oven about a minute more and then is removed. As soon as a loaf begins to cool, it collapses into disk form again, only now the disk consists of two layers except around the edge.

In each bakery, the baker is the only hired professional. In the bakery in the *hara*, the owner provides the baker with bread for his own consumption and pays him the equivalent of about a dollar and a half a day. In the other bakery, the baker and owner split the bread receipts (see below) of the bakery fifty-fifty, but there is no monetary transaction between them.

Every woman who uses the bakery sets aside about seven per cent of the loaves she makes, and these she "leaves for the *furn*." The owners' own bread supply is thus supplied them, and they are free to sell or otherwise dispose of what they do not eat. The Mizeli women, mentioned earlier, work in the *furn* on the same basis as the other women, but they regularly prepare more bread than they need themselves and sell the surplus at about twenty-five piasters (about seven cents) per *rațl* (the *rațl* is a traditional weight measure equivalent to about 1 lb. 3 oz.).

OLIVE PRESSES

The presses are privately owned but are available to all, the owner receiving a certain proportion of the oil which each individual presses. As social institutions they are, of course, far less important than the stores and bakeries, for they are used for only a few weeks a year, during the olive harvest. However, as has already been suggested, the olive harvest is a period of intense cooperative activity in which social interaction, spurred on by hopes of a profitable crop, is very lively. The presses play an essential economic part in the proceedings and draw large groups of men together.

Most of the presses in the village are modern, machine-driven apparatuses requiring a minimum of manual assistance. There is, however, one old-style one in the stable of a house in the al-Wasṭiyya section. Stone bins hold the fresh olives. There is a heavy wooden beam one end of which is attached, hinge-fashion, to the ceiling, the other end weighted with three large stones (called "balls"). A batch of fresh olives is placed under the weighted end of the beam which is raised by block and tackle and then dropped on the olives. The purpose is to reduce the olives to a mush which can then easily be transferred to a circular stone basin with a drain. On it a large, thick stone wheel is set upright. The wheel is secured to a revolving beam one end of which is set into the ceiling. A subsidiary beam projects at right angles to the revolving one. To this a donkey is harnessed, and by walking around and around the basin, the donkey turns the wheel over the olive mush, pressing out the oil. This crude process involves considerable waste, hence

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A. Adjustment for Coverage

As noted above, Customs figures of imports and exports do not include personal effects of travelers and goods of nominal value. It has not been thought necessary to make any adjustment to account for these relatively small items. However, adjustments have been made with respect to the following:-

a. Re-exports: Re-exports in Lebanon are of two types: (i) those which have paid a duty upon entering the country and have thus been recorded as imports, the duty being refunded when the goods are re-exported (cf. Table 1) and (ii) those which have been re-exported directly from the Customs warehouses (cf. Table 2). For balance of payments purposes only re-exports in (i) have been added to the Customs export figures since they already appear as imports and it has been impossible to isolate them; those in (ii) have been considered as part of the transit trade.

b. Gold: Gold movements (bullion and coins) are included in Customs statistics and are often recorded at a fictitious value; as there is no import duty on gold, the government does little to enforce proper declaration and recording. In dealing with this problem, the value of gold has been deducted from foreign trade figures, its quantity by weight determined, and revaluation made on the basis of quarterly free market gold prices. The new estimated values have then been set aside for inclusion in the final tabulation under non-monetary gold movements.

c. It was discovered that foreign banknotes imported have been inadvertently recorded as merchandise imports. Their value in 1951 amounted to over 7.3 million Lebanese pounds (cf. Table 3). This item has been isolated from the merchandise figures for inclusion under capital movements.

d. Imported motion picture films are also included in merchandise imports, being given a fictitious value. As most films are not purchased, but enter the country on a rental basis, this item has also been isolated and excluded from trade returns (cf. Table 4).

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e. Concessions: The Lebanese Government has entered into special agreements with some foreign concessionnaires thereby allowing them to import certain commodities and

equipment free of duty. These companies may be conveniently divided into two categories according to their main center of interest and operation. 437 471

i. Some companies, like the Beirut Port Company, center their activities in Lebanon.

ii. Others are branches of foreign companies undertaking particular functions which are only a part of major operations abroad. Their local concession gives them some privileges of extraterritoriality; their activities are considered as taking place outside the country, as it were, in a free zone. The Iraq Petroleum Company is in this category.

It is probably because of this distinction between the two types of companies that their imports are recorded differently at the Customs. Whereas imports of companies in (i) are combined with general imports, imports of companies in (ii) are recorded separately. For balance of payments purposes, such a distinction is meaningful: imports by foreign companies in (ii) should be excluded as they do not constitute a drain on the country's foreign exchange resources. On the other hand, imports of companies under (i) should be assimilated to private imports, as these companies, although foreign, pay for their purchases abroad from local earnings. 437[2] 481 439

f. Imports of foreign embassies and missions, and imports of the United Nations Relief and Works Agency, whether destined for consumption in Lebanon or for shipment to other countries, have also been left separate for the same reasons as for imports of concessionnaries under (ii) above.

g. It would have been good to isolate also government imports and to include them under "government expenditures". However, this proved an impossible task as ordinary government imports are usually made through private dealers and are entered as private imports in the Customs records. On the other hand, government imports of military equipment are not recorded at all at the Customs, and no estimates of their value could be obtained.

Supplementary adjustments have also been made to account for "unrecorded transactions". This expression is here used to

3. **Foreign Companies**

*457 Under this heading are included only the local disbursements of foreign companies operating in Lebanon whose 'center of interest' is abroad. These disbursements cover all expenditures for operation (salaries, rent, taxes etc.) maintenance and expansion, net of the royalties, if any, paid to the government. These royalties have already been accounted for (cf. p. 39).

[470] The Iraq Petroleum Company (IPC) and Tapline are the two main companies involved. Both are concessionaires and run pipelines through the Lebanese territory to the Mediterranean. It has been impossible to obtain information from either of them regarding their local expenditures. However, it is known that IPC has been importing very little capital for its operations in Lebanon. Most of its local currency needs have been covered by local sales of oil from its Tripoli Refinery. These sales are considered imports into Lebanon and are recorded as such at the Customs; they totalled LL. 10.1 million in 1951 and LL. 9.2 million in 1952 (cf. Table 8). In the absence of better estimates, these figures have been taken as representing IPC's total local expenditures.

Tapline is reported to have contributed directly or indirectly to the Lebanese economy, about LL. 17.6 million in 1952; of these LL. 4.5 million represented salaries and wages of Lebanese employees; the balance served to pay the part of the foreign personnel's salary needed for expenses in Lebanon, other operational and maintenance expenditures and royalties to the government. If the latter were excluded, other local expenditures of the company would be about LL. 14 million. The same amount can be assumed for 1951.

It has not been possible to estimate even approximately the expenditure of the other similar, but relatively less important companies, such as Radio Orient.

4. **Other Items**

a. On p. 8 it was said that most foreign films enter the country on a rental basis; an attempt was made by interviews to discover with local distributors and cinema owners total rents paid. The attempt had to be given up for lack of cooperation. It was, therefore, decided to disregard this item, and to assume that it is offset by the local expendi-

9:Lebanon G-5 (1952)953 MI2 Lebanon MI2

Physical Description of Area.

361 The coastal plain in the Kasmie area is bounded by the Mediterranean Sea on the west and
182 the Lebanon range on the east. The climate is Mediterranean with dry summers, nearly all of the
184 rain falling between October and May. The soil is chiefly a heavy clay. Much of this coastal area
941 is suitable for irrigation. While some of the land is rocky and in the United States would not be used for farm land, nearly all land capable of cultivation has been brought under the plow. The steeper slopes are protected from serious erosion by rock wall terraces. The climate is favorable to the growth of temperate and sub-tropical crops. Citrus fruits, bananas, vegetables, and cereal crops are found in abundance.

361 The major markets for the products of the five villages are Beirut and Saida. All of the project
491 and coastal villages are linked to the Tyre-Saida-Beirut main coastal road by gravel surfaced roads
487 except for Loubya and Sakiehiyah, which are dependent upon trails. In no case is the dirt road more
494 than two miles from the main road. The traffic on this road is heavy and trucks and buses are frequently available for taking products to Saida or Beirut. These towns are 12 and 42 miles respectively distant from 'Adloun, the most southerly village.

Village Government.

622 The five villages included in the Kasmie Rural Improvement Project have a similar form of
623 local government. Each village has a mukhtar (mayor) who is elected in a more-or-less democratic
● 471 manner. In each village there is also a board of aldermen or village elders. This board is also
655 elected to office and is common of from two to six members. The mukhtar is generally the largest landowner or operator and one of the wealthiest men in the village. The aldermen as well are among the more well-to-do villagers. However, the concept of wealth is relative. Often the holdings owned by local villagers may be large in comparison with others in their own community, but small indeed when compared to the size of holdings in the village controlled by persons living outside the village. The common fellah does not enjoy representation by his peers in this area whether he has such aspirations is not known.

A number of the villages are wholly dependent upon one or several large non-resident land-owners, who own much of the agricultural lands farmed by the villagers. In these cases, the mukhtar acts only after consultation with these large landowners. 491 622

The mukhtar and the board of aldermen are elected for a period of four years. In case of the death or resignation of the mukhtar, the administrative officer of the Saida district (the qaimmaqam) is authorized to appoint one of the aldermen to fill the vacant position. A new election must be held within two months after the vacancy occurs. 622 623

The powers and obligations of the mukhtar include: acting as the representative of the government in the village; registering the newly born and deceased; apportioning the land tax among the holders of land; and, where land registration has not been completed, issuing certificates showing title to land for purposes of sale or mortgage. It is interesting to note, in conformance with Lebanese law, that when the police come to arrest a villager they are not permitted to enter a house unless accompanied by the mukhtar. 622 694

Table I has been prepared for the convenience of technicians working in the area. It shows the names of the mukhtars in the five affected villages as of September, 1952, and the number of persons on the board of aldermen. 622 623

These small villages have no income from taxes or property. What improvements the villagers desire must be achieved through mutual cooperation. This cooperation is reflected in their sharing the village threshing floor (beidar). In answer to the question, "What improvements have been financed (either in cash or in kind) by your village during the past five years?" none was reported. In the control area, the villagers in El-Ghaziyah and El-'Addousiyah contributed the maintenance of school buildings, and in En-Najjariyah voluntary village labor helped to build a new road from the dai'ah to the Saida-Beirut highway. 496

Where there are over two thousand inhabitants and a village income of over LL. 2,000 annual income, a municipality can be formed. The municipality takes care of locally financed projects such as street construction, water supply works, lighting, sanitation and sponsorship of public schools. Only in the control village of El-Ghaziyah does a municipality operate. As none of the five villages under discussion has the legal minimum of two thousand population, there are no municipalities in the demonstration area. 632

It was impossible to segregate the ownership and operation of the lands of the Kasmie Irrigation Project from other lands of the villages involved. The data presented, therefore, do not necessarily reflect conditions on the lands of that project. Since less than 1,000 hectares of the total of about 5,000 hectares in the eight villages covered in this survey are in the Irrigation Project it is unsafe to make assumptions regarding the latter from facts stated regarding the former. 423

Land holdings vary in size from an infinitesimal parcel of land of less than one dunum to a holding of 7,500 dunums. In the five villages a total of 482 separate parcels of land were reported (Table V). In many cases a single parcel is owned in common by a number of people who have an undivided share in that piece of land. This situation is usually due to inheritance. Common ownership by relatives results in reducing the actual size of holding that each particular household actually has to depend on for its livelihood. On the other hand, it results in a larger number of owners of land than the records show. The usual practice is to register the land in the name of the senior or major owner and then to list the other holders of undivided shares. In this study the information given was on the basis of the land registration records.

Although the total land area is owned by a large number of persons, the great majority of owners control a very small area of land, while a few individuals have considerable holdings. For these five villages, three out of 482 landowners hold 42 percent of the lands. It is also important to note that very small holdings predominate; 380 or nearly 80 percent of the 482 owners hold 25 dunums or less (6 acres) and account for only 18 percent of the total area. Landownership information by villages is shown in Table VI. 423 471

The percentage of the total land area falling in each class interval has been computed for each village (Table VII). These data were computed by multiplying the mid-value of the class interval by the frequency to determine the area of land in each class. From this figure the percentage of the village land in each class interval was derived. In these five villages, Saksakiyah has the lowest concentration of holdings over 200 dunums, 19 percent, and En-Naariyah the highest with 93 percent of the land being held in one large parcel.

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TABLE V

Land Ownership Distribution

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(Five Kasmie Rural Improvement Project Villages)

Size of Holdings	Frequency	Mid-Value	Weight Mid-Value Times Frequency	Percentage of Area in each Class
Dunums	*Number*	*Dunums*	*Dunums*	*Percent*
25 and less	380	12.50	4750	18
26 — 50	43	37.50	1612	6
51 — 1000	38	75.00	2850	11
101 — 200	7	150.00	1050	4
201 — 500	10	350.00	3500	13
501 — 1000	2	750.00	1500	6
1001 and over	3	Actual land area used	11300[1]	42
Total	482	(Weighted Average) 55	26562	100

(1) This is the actual figure from the records and is not a statistical approximation as are the other figures in this column. The three largest holdings are 7,500 held by 'Adil 'Useiran of Saida, 2,500 by Mustafa Nahhuli of Beirut, and 1,300 by Emile Farran of Saida.

9:Lebanon G-5 (1952)1953 MEI Lebanon MEI

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TABLE VI

Land Ownership Distribution

By Village

(Five Kasmie Rural Improvement Project Villages)

Name of De'ah	25 Dunums and Less	26-50 Dunums	51-100 Dunums	101-200 Dunums	200-500 Dunums	501-1000 Dunums	1001 Dunums and Over
	No.	*No.*	*No.*	*No.*	*No.*	*No.*	*No.*
Sarafand	300	0	2	0	2	2	0
Saksakiyah	25	14	9	0	1	0	0
Loubya	10	5	7	2	2	0	0
En-Nsaryah	15	4	0	0	0	0	1[1]
'Adloun	30	20	20	5	3	0	2[2]
Total	380	43	38	7	10	2	3

(1) This holding is 7,500 dunums, largely in this one village.
(2) These two holdings include 3,800 dunums.

9:Lebanon G-5 (1952)1953 MEl Lebanon MEl

TABLE VII

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PERCENTAGE OF TOTAL LAND AREA OF EACH OF FIVE PROJECT VILLAGES AS DIVIDED IN CLASS INTERVAL

(KAIMIE RURAL IMPROVEMENT PROJECT)

NAME OF DEI'AH	25 DUNUMS AND LESS	26-50 DUNUMS	51-100 DUNUMS	101-200 DUNUMS	201-500 DUNUMS	501-1000 DUNUMS	1001 DUNUMS AND OVER	TOTAL
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Sarafand	61	0	2	0	12	25	0	100
Saksakiyah	17	28	36	0	19	0	0	100
Loubya	7	10	29	16	38	0	0	100
En-Nsariyah	5	2	0	0	0	0	93	100
'Adloun	4	8	17	8	20	0	43	100
(Weighted) TOTAL	19	6	11	4	13	5	42	100

9: Lebanon G-5 (1952)1953 MEI Lebanon MEI

Land Operation

Hasty conclusions should not be drawn from the tables on land ownership, or the fact that three persons own 42 percent of the land area in the project villages and reside in the cities of Beirut and Saida. A condemnation of the system as representative of the absentee-owner «Feudal Lord» pattern would not be completely justified. Under the absentee-ownership system typical in the Middle East, the large landowner resides in the city or abroad and the land is rented on a share basis. The owner provides virtually no capital or supervision.

In order to render valid conclusions about the area under discussion it is essential that not only the ownership pattern but also the system of operation be examined. Although the three largest landowners, owning 11,300 dunums of land in the five project villages, reside in Beirut or Saida, they directly operate 82 percent of their lands or all but 2,000 dunums. It can be concluded that these examples are not actually ones of absenteeism. Many others of the large landowners who reside outside the villages are within an hour's drive from their lands and take a personal interest in them. Owners often directly operate a considerable portion of their holdings by employing labor from the nearby villages. Therefore their lands often are not let on a share-crop basis. The landlord invests his energy, capital, and managerial ability in the land, and the work of field laborers is closely supervised. In light of the meager credit facilities in Lebanon, the landowner serves as a valuable source of investment capital.

From scattered interviews with peasants, it appears that they would consider 100 dunums of dry land or 20 to 30 dunums of irrigated land as a suitable farm unit. This might be considered as the «family-sized farm». Unfortunately, it was found impractical to obtain data on the ownership and operation of dry and irrigated land separately. It is therefore difficult to generalize about the ability of the existing holdings to support their predominantly agricultural population. It is, however, possible to conclude that few people own or operate holdings sufficient to secure them livelihood. In Sarafand where 150 dunums are irrigated, 350 persons operate farms of less than 25 dunums (6 acres). This is predominantly an area of dry farming and farmers work far less land than is needed for actual subsistence. Completion of the Kasmie Irrigation project will materially increase the irrigated area in this kharaj.

15: Tannous N,G-5 (no date) 1951 M1 Middle East M1
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most in their minds. Furthermore, they put the new land under cultivation through an understanding with the local tribal chief. He guarantees them "protection" of the crop in return for a portion of the produce. Nowhere does the peasant figure in this deal other than as a laborer or a sharecropper. Nowhere do we see signs of the emergence of that badly needed class of small, independent, cultivator-owners.

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The situation in Lebanon presents a glaring and enlightening contrast between two systems. In the mountain area, the heart of the country, a strong tradition of private ownership by small independent farmers prevails. In most cases, the family farm averages about 10 acres. The soil is scanty and the terrain difficult; but the people have their hearts in what they own. They have blasted the rocks and built extensive terraces to prevent erosion; they have made the mountainsides produce abundantly of olives, grapes, figs, and apples. On the narrow coastal strips they have grown luxuriant orchards of citrus and bananas. More significant than all of this, we observe that the village folk in this area enjoy much higher standards of living. This is clearly manifested in their diet, health, housing, and a literacy rate of some 90 percent.

True, they have other sources of income, especially from emigrants residing abroad. Yet the independence they have gained through ownership of the land has endowed them with the initiative and the possibility to seek these other sources and better their living conditions. Unlike the sharecropper, who is doomed to his status, the small independent owner is free to move up the ladder.

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Our argument in this respect gains support from the situation that prevails in the rest of Lebanon — in the Akkar plain of the north, in the Bika valley of the interior, and in the mountain area of the south. Here we witness the predominance of the same feudal-absentee-sharecropping system that exists in Syria and Iraq. Here also we witness the same conditions of deprivation, lack of development and low levels of living. Our argument gains further support from a consideration of living conditions in those village communities of northern Iraq, of some sections of Syria and Jordan, where the people are independent and own

25: Wanner S-5 (no date) 1948 MI Middle East
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crease the productivity per acre and also to expand the cultivated area per head.

In the Lebanon, however, with its steep hillsides under intensive cultivation, there is a definite pressure on land resources. The limits of intensification appear to have been reached, and a large part of the village population supplements its income by work in the towns, and by remittances from abroad. If the land tenure system in Syria were less oppressive, room might be found on the land for settlers from the Lebanon, but as things are, the standard of living and status of the Lebanese peasant is higher; compared with the Syrian peasant he is a free man, and there is no inducement to leave the Mountain for the underpopulated plains of central or northern Syria.

LAND TENURE

Corresponding to these different methods of farming, there are different systems of land tenure.[1] In Lebanon individual small ownership is well established, and the pattern of village life, with its broad class of small peasant owners, few large farmers, and a growing class of landless labourers, resembles that of Europe.

In Syria, the greater part of the land is owned by city notables—the ruling class—and cultivated by small share-tenants. Though individual ownership exists in some districts, for instance the Beqa Valley and the oasis of Damascus, the most usual form of landownership in the plain districts of Syria is share-tenancy. The villagers bring their corn to the village threshing floor, and when the grain is threshed the landlord or his agent stands by and takes one-half of the grain. Towards this result he has contributed nothing; all labour, equipment, seeds, livestock, have been supplied by the tenant, so that his share is rent purely for the use of the land. The landlord is almost always an absentee, a city notable who only visits the land to collect rent.

The share taken by the landlord varies from district to district, and also varies with the condition of the land. According to an inquiry made by the French authorities, the usual division of the crop for non-irrigated cereals is 40–50 per cent to the

[1] The information which follows is mainly based on A. Latron, *La Vie rurale en Syrie et au Liban* (Beirut, L'Institut Français de Damas, 1936). The brilliant and profound study by Jacques Weulersse, *Paysans de Syrie et du Proche-Orient*, is an indispensable authority which unfortunately was received only after going to press.

25: Warriner S-5 (x da/c) 1948 M1 Middle East
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S landlord, and 60–50 per cent to the peasant. The landlord's
427 only charge is taxes. If, as in some districts, the tenant provides labour only, and the landowner bears other costs, the landowner's share may rie to 80 per cent. For irrigated cereals, the landlord's duty is to provide water, and his share of the crop is then 60 per cent. Other irrigated crops are usually farmed by the landowner direct

The tenant has no protection against eviction because these tenancy agreements have no legal basis, and are not covered by the provisions of the Ottoman Land Code. The tenant may be evicted by the lardlord without notice, and no compensation is paid him for improvements made or for losses incurred when he is evicted.

S How much of the land is owned by large proprietors in Syria
471 is not exactly known. Roughly one-half of the grain sold in the market comes from large proprietors, and it is believed that about 60 per cent of the land is owned by them. In northern Syria, big landowners own 70–80 per cent of the land, and in the Damascus region 60–75 per cent. In the district of Hama, out of 114 villages, 110 belong to landlords, and 4 landowners between them own 86 villages. Generally there is a great desire on the part of the peasants for individual ownership, but it is only where there is some form of intensive cultivation that it can be successfully maintained. In the village of Kesruwan, for example, banana growing has brought prosperity to the peasants and enabled them to purchase land.

S Thus the custom of share-cropping reflects the instability of
471 grain growing in aril climates with uncertain rainfall and great
427 variations in yields. It is peasant indebtedness which supports
426 the large landowners. Two bad harvests in succession will mean that the peasants become so much indebted that they will actually reduce the area sown for lack of seed, and will therefore be obliged to sell to a money-lender or city merchant. The majority of the big Christian merchants in the town have become rural landowners in this way, particularly in Latakia and round Homs and Hama. In the Syrian plain districts, entire villages have passed into the hands of merchants through indebtedness.

S Most of these large landowners are city families, who take no
L interest whatsoever in actual methods of cultivation. Some,

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probably few, of the estates are the properties of old, wealthy families of Ottoman times, which still exist in Lebanon, such as the lands belonging to the families of Arslan, Jumblatt, Chehab, Khazen, but many of these have been broken up by the Moslem laws of inheritance. Other estates have originated from direct grants made by Turkish Sultans to influential politicians, as for example the two very large estates in the Beqa and the Litani valley. Others too were formed at the time of the general registration of property undertaken by the Ottoman Government when chiefs of tribes or villages registered tribal land in their names as their private property. Uncertainty about legal title to land gives the educated classes frequent opportunity for ousting peasant owners, and whole villages have come into the possession of rival groups of city notables, as a result of litigation among the villagers who have sought their assistance in establishing their title.

While the land-tenure system is thus a result of peasant poverty, it also perpetuates poverty by standing in the way of any long-term investment. The high percentage of fallow in Syria suggests a great waste of land resources, and there could certainly be some improvement in yields, even in dry land farming, if green crops were introduced more generally into the rotation. But the share-cropper has little incentive to improve the fertility of the land, since he has no certainty of tenure, and since the landlord will take 50 per cent of any increase. Since the landlords are not as a rule directly interested in farming, they do not themselves undertake long-term improvements in the land.

Three case studies illustrate the ways in which the land-tenure system hinders advance.[1]

One study relates to the large estate of Misherfe, near Homs in central Syria. This is 24,000 acres in extent and includes five villages, with 2,500 inhabitants. It is very extensively cultivated, only one-third of the area, 8,000 acres, being cropped each year. The land is divided into three parts, one with wheat, barley or *qatani* (mixed grain), one ploughed but not sown, and one left fallow. A small area, 200 acres only, is irrigated, though water supplies are sufficient to irrigate much larger areas.

[1] These studies, which were prepared for the M.E.S.C., are not at present available in print.

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Syria MD1

LAND TENURE

Of the total 160 families in the village, 100 own some land and 60 own no land. The peasant owners are divided as follows

1. Rich farmers, owning about 10 hectares ..	5 families
2. Medium farmers, owning from 3 to 8 hectares	80 „
3. Poor farmers, owning between 1 and 3 hectares	15 „
4. Share-tenants	10 „
5. Labourers	50 „

As in Misherfe, two-thirds of the land is uncropped each year. The peasant divides the land into three plots, one sown with a crop, one ploughed but not sown, and one fallow. The wheat yield is slightly higher than the average for Syria, and amounts to 833 kilogrammes per hectare (6½ hundredweight per acre); barley yields are also slightly higher, being 8 hundredweight to the acre.

As a result of the more equal distribution of land, rather better yields, and more irrigation, the standard of living is better than in Misherfe. The first two classes, including half the families, can reach an adequate standard of consumption of food and other essentials, which is reckoned to be 25 kilogrammes of wheat per month, 1 kilogramme of meat per month (i.e. one sheep a year), 40 kilogrammes of olive oil and 20 kilogrammes of 'samn' per year, 4 tins of kerosene and a small quantity of clothing. The remainder of the village, about one-half of the total, that is the poor peasants, labourers, and share-tenants, are unable to reach this standard and live in great poverty, in one-roomed huts. The majority of these cultivators are heavily indebted, and the burden of indebtedness has doubled during the war years, because debts are usually incurred in gold.

The third study relates to Kfer Sa'ab in the north Lebanon, a hill village of small owner-cultivators. Of the total area of 200 hectares, about 30 are owned by the sheikh of the village. The total number of families is 150 (1,200 people), of which 120 own land and 30 are landless. A few peasant owners are rich with 5 hectares of land; 60 are medium owners with 1·5 to 2·5 hectares of land, and 25 own 0·5 to 1·5. Here cultivation is much more intensive than in Syria, and half the land is irrigated.

[Ashrafie, near Damascus -- Analyst]

29:Dunn S-4 (1952)1952 MI Middle East
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COTTON IN LEBANON

There are said to be five cotton gins in the country, all owned by textile mills. Several are saw gins, including one new one. 248

No one expects cotton acreage to climb appreciably, even though cotton normally returns more money to the farmer than other general crops, particularly in years of high prices. Government agricultural officials and technical assistance people agree that farmers are simply more interested in other crops and the country as a whole considers food crops more important.

The consensus is that the crop may expand by a few thousand bales if the price is favorable.

COTTON TEXTILES

The cotton spinning industry has about 70,000 spindles, of which 54,000 were operating in early 1952. The weaving industry reports 989 power looms, about 300 hand looms, and a number of small knitting mills operating at capacity. The spindles and most of the power looms are located in six mills which are privately owned by Lebanese industrialists. Most of these spinning mills were built in the late thirties. Some installed second-hand equipment though the majority bought new equipment from Germany, France, United Kingdom, and Japan. Spinning capacity has remained fairly stable during the past few years but knitting and weaving capacity has expanded considerably. 288 [471]

Until the dissolution of the customs union with Syria in 1950, the industries of the two countries were complementary. Lebanon sold from 50 to 60 per cent of its yarn to Syria and bought cloth. The imposition of duties by Syria and the expansion of the Syrian spinning industry virtually stopped this trade. The Lebanese now want to install more looms to balance their mills and consume the output of yarns. Expansion of the cotton textile industry is expected to be along these lines. [648 439]

At present the cotton textile industry is protected by import duties which average about 30 per cent ad valorem. There are complaints by some local industrialists that this is not adequate. Others maintain that relatively low wages and comparatively high machine efficiency enable them not only to operate successfully in the domestic market but also to compete to a limited extent on the foreign market. These two opinions, reported by the American Vice Consul in Beirut who has studied the industry, likely reflect the range of efficiency. [651]

Cotton yarn exports in 1951 totaled 680 tons in counts from 12s to 40s. This went primarily to Rumania, Pakistan, Cyprus, Aden, Egypt, and Belgium. In the same year the country exported 1,137 tons of cotton cloth, mostly coarse gray goods to Italy, Sudan, Iraq, and other neighboring countries. Imports of piece goods at 1,500 tons were almost equal to exports. Imports for the most part were dyed and printed goods in the specialty lines. 439

Normally Lebanese mills use about 80 per cent Syrian cotton and the balance local and Egyptian. The sources in 1951 were: Syrian, 60 per cent; Lebanese, 20 per cent; Egyptian, 10 per cent; and American, 10 per cent.

64: Shwadran S-4 (no date) 1955 M1 Middle East
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interfered with operations, which were resumed in 1947. The Company gave up its concession in August, 1951.[32]

In 1954 it was reported in Damascus that the annual internal consumption of petroleum was about 350,000 tons and that the Government was negotiating with Tapline and I.P.C. to build two refineries near Damascus, the cost of which was to be deducted from the Government's revenue from the two companies.

So far Syria has failed to discover oil in her territory, but the Tapline and I.P.C. pipelines have become important sources of income to the Government and the cause of constant friction between it and the oil companies. From 1947 to 1952 the increase in the income from pipelines was considerable, but the local agitation for higher royalties has been continuous and, in the spirit of the prevailing practice in the area, a demand for a 50 per cent profit-sharing arrangement is constantly being echoed.

Lebanon

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Lebanon signed an agreement with I.P.C. in 1931 under the same conditions as the other countries. The first pipeline ran through her territory for only seventeen miles. The northern branch of the line terminated at Tripoli where a farm of fifteen 93,000-barrel tanks was built. The loading fee at Tripoli was 2 pennies per ton.

In 1947 Lebanon signed the agreement with Tapline mentioned above, and that same year I.P.C. agreed to pay Lebanon transit fees amounting to £45,000 annually. A new agreement with I.P.C. was signed in 1952, raising the transit fees to about £450,000 annually. A new agreement was also signed with Tapline in 1952; it provided for a basic increase in transit fees, for $3 per ton up to 200,000 tons for petroleum products consumed in the country; an increase in the loading fee at Sidon; and annual contributions of $21,000 for the maintenance of the public highways used by the Company's vehicles and $17,000 to the municipalities of Beirut and Sidon in consideration of services.[33]

[32] A. H. Hourani, *Syria and Lebanon* (London, 1946), 155; Longrigg, *Oil in the Middle East*, 91-93.

[33] United Nations Department of Economic Affairs, *Review of Economic Conditions in the Middle East 1951-52*, 59, henceforth cited U. N. *Review* or

64: Shwadran S-4 (no date) 1955 MI Middle East
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The Chamber of Deputies refused to ratify the agreement and unanimously adopted a resolution demanding that the Government undertake immediate negotiations with all oil companies for the revision of oil agreements.[34] The companies refused to respond to the demands of the Government. At the end of December 1953 the Justice Ministry informed Premier Abdallah al Yafi that it was impossible to take any legal action against Tapline and I.P.C. to oblige them to discuss the question of an increase in royalties.

Attempts were made to present a united front of Syria, Lebanon and Jordan in their demands for higher royalties, but apparently with little success. At the end of May 1954 it was reported from Beirut that the Syrian and Lebanese Governments had agreed to send a joint note to the companies asking for an increase in the royalties, but up to the beginning of 1955 no new agreements had been signed.[35]

REFINERIES

In 1940 the French High Commissioner for Syria and Lebanon built an emergency refinery at Tripoli under an agreement with the Iraq Petroleum Company that he was to own and operate during the war emergency but that was to be turned over to I.P.C. at the end of hostilities for the crude oil which the Company was to supply. The transfer was made on January 1, 1946. Three years later the refinery's quarter of a million barrel capacity was doubled.[36]

A second refinery in Lebanon, the Mediterranean Refinery, was inaugurated in February 1955. It is located at Sidon, built at a cost of about $20 million, and has a capacity of about 6,000 barrels daily. It is owned by the Mediterranean Refining Company which is in turn owned by the partners of Aramco.

Summary and year; *Le Commerce du Levant*, May 21, 1952; *The New York Times*, May 16, 1952; Longrigg, *Oil in the Middle East*, 243; *The Christian Science Monitor*, Dec. 19, 1952. Direct payments by I.P.C. and Tapline in 1952 amounted to £15,500,000; local expenditure by Tapline was £17,600,000 and by I.P.C. about £10,000,000. U. N., *Economic Developments, 1945 to 1954*, 168.

[34] The magnitude of the flow of oil through the terminals of I.P.C. and Tapline in Lebanon is illustrated by the 1953-54 figures. The total for both terminals in 1953 was 22,519,831 tons; in 1954, 22,905,708 tons. In the latter year Saudi Arabian oil amounted to 15,694,761 tons, and Iraqi oil to 7,210,947 tons. *Le Commerce du Levant-Beyrouth Express*, Mar. 14, 1955.

[35] *Mideast Mirror* (Cairo), 19, May 22, 1954.

[36] U. S. Senate, *International Petroleum Cartel*, 97.

64: Shwadran S-4 (no date) 1955 MI Middle East MI
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This refinery was to supply Lebanon with the major part of its benzine and kerosene requirements.

EXPLORATION

In March 1938 I.P.C. was granted a license covering the area of Jebel Terbol; the outbreak of the war prevented any operations. In May 1947 the Lebanon Petroleum Company (a subsidiary of Petroleum Concessions Ltd.) began drilling operations, but it later abandoned its license. In January 1954 it was reported from Beirut that oil experts who had been prospecting for oil in Lebanon for a number of years had come to the conclusion that there was no possibility of finding rich oil deposits in the country.[37]

Conclusion

Although so far no oil has been discovered in the above four countries of the eastern Mediterranean, they are nevertheless part of the general Middle East oil pattern since they serve as the transport areas and terminal sites of the oil produced, or at least a considerable portion of it, in the rich oil-bearing countries of the Persian Gulf. Despite the fact that I.P.C. surrendered the exploration concessions which it held in Israel, Jordan, Lebanon and Syria, none of these states has given up hope of discovering oil in its territories. The most vigorous and determined efforts were made in Israel, and the latest reports are encouraging.

Israel also played an important role as the site of the second largest refinery in the Middle East, the Consolidated Refinery in Haifa, which not only met all the needs of local consumption and exported refined petroleum products in huge quantities, but which was also an important factor in the prosecution of World War II. The refinery at Tripoli was an emergency war measure and of very small capacity, but was helpful in meeting local demands. Lebanon is well on her way to supply home needs from the refineries on her territory.

Because all the four countries were mandates under the two Great Powers which had major interests in I.P.C., they received no payments for the rights and privileges granted the Company

[37] *MENA* (Cairo), 20, Jan. 30, 1954.

67: United Nations S-5 (1945-1954) 1955 ME Middle East ...
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Chapter 6

LEBANON

Developments to the End of the Second World War

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Lebanon's high economic level, compared with other Middle Eastern countries, is largely attributable to certain factors which helped to improve economic and social conditions, 1/ from early modern times. A relatively greater degree of security in Lebanon attracted European merchants, who provided an expanding market for Lebanese raw silk; it also brought in missionaries and educators, who established modern schools. In the second half of the nineteenth century, large-scale emigration began. It is estimated that between 1860 and 1900, some 120,000 persons emigrated from Lebanon and Syria - an average of 3,000 a year, of whom over half were from Lebanon. In 1900-14, the yearly average rose to 15,000. 2/ A large number of these emigrants returned, bringing back with them capital and skills. There was also a small capital inflow from Europe, which was invested in railways, ports and other public utilities, as well as in banks. By 1900, Beirut had become the main distributing centre for Lebanon, Syria, Palestine, northern Iraq and southern Anatolia. Another important economic item was the export of raw silk.

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During the First World War, Lebanon, which had become a food importer, experienced a large-scale famine. In addition, its silk industry was disorganized, the mulberry trees being cut down for fuel, and its transit trade was disrupted. In the inter-war period, silk suffered further, from the competition of more efficient producers and of rayon, and gradually ceased to play an important part in the economy. A still harder blow was the decline in emigration, following restrictions imposed in most countries of immigration. After reaching a peak of 16,000 in 1923, emigration from Lebanon and Syria fell off rapidly to an annual average of 2,000 in the nineteen-thirties, of whom slightly over half came from Lebanon.

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434 1/ Net national income in 1950 was estimated at 1,000 million Lebanese pounds (see table 43), giving a per capita figure of LL 800 per annum. (Some confirmation of this figure is provided by a survey in North Lebanon which showed that in 1953 per capita income in a group of villages was LL 627. This figure does not include rent, since practically all families own their own houses (Salah M. Sawaya, Household Income and Expenditure in Al Kura, unpublished thesis, American University, Beirut, 1955)). Converted at the average free market rate (in 1950 one United States dollar equalled 3.47 Lebanese pounds), which considerably undervalues the purchasing power of the Lebanese pound, this gives a per capita income of $230, a figure well above that prevailing in the region. Some two thirds of the Lebanese population is literate, and over 40 per cent is urban, proportions which are well above the regional level.

2/ S.B. Himadeh (editor), The Economic Organization of Syria (Beirut, 1936), page 16.

67: United Nations S-5 (1949-1954) 1959 Mid Middle East
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Most of the expansion described above has been carried out by private initiative but, in addition to providing irrigation, the State has assisted agriculture in many ways. Of these the most important has been the provision of credit. The Société du Crédit agricole et industriel, founded in 1938 by the Banque de Syrie et du Liban at the request of the Government, has, in recent years, advanced loans totalling LL 6 to 7 million per annum, the greater part of which is guaranteed by the Government. In 1954, the Government established an Agricultural and Industrial Bank, with a capital of LL 30 million; it is hoped that this bank will be able to meet a larger proportion of Lebanon's agricultural credit requirements. 1/ Another service has been the distribution of imported seed wheat to farmers; in 1953, 100 tons were distributed and the 1954/55 programme provided for 1,550 tons, at a cost of LL 450,000, as well as chemical fertilizers, at a cost of LL 800,000. 2/ Other projects undertaken by the Government include grain storage and citrus packing facilities, which are being established with United States aid, and experimental stations set up with the aid of the United States and French Governments. In 1953, the investment needs of agriculture over the following five years were put at LL 125 million, of which LL 50 million were for irrigation, LL 35 million for credit, LL 5 million for the mechanization of cereals cultivation, LL 10 million for the building of silos for grain and LL 25 million for transport and for processing industries. 3/ Some of this investment - for example, mechanization and investment in transport and industry - is being carried out by private enterprise and a considerable part of the balance by the Government (see below).

Industry

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In the immediate post-war years, Lebanese industry was favoured by the scarcity of imported consumer goods, but this advantage was offset by the great shortage of raw materials and the difficulty of renewing equipment or obtaining spare parts; moreover, military orders, which had absorbed a large fraction of industrial output, dwindled to insignificant proportions. In the course of 1946 and 1947, foreign competition increased sharply; this was met by a considerable rise in investment, especially in the food processing and textile industries, and a renewal of equipment. The increase in productive capacity resulted in greater output in 1948 and 1949. In 1950, many Lebanese industries were severely hit by the ending of the customs union with Syria. Industry in general, however, was aided by the war in Korea, which reduced foreign competition, and subsequently by greater sales in the domestic market, facilitated by increased tariff

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1/ Agricultural indebtedness is believed to total between LL 30 and LL 60 million the bulk of which was obtained from money-lenders and small private banks at a rate of interest around 20 per cent. "Proceedings of the Agricultural Credit Conference", Beirut, 12-14 October 1953.

2/ Lebanese Delegation to Fourth Regional Conference of the Food and Agriculture Organization of the United Nations, Beirut, 13-16 September 1954. "Adjustement des politiques alimentaires et agricoles".

3/ Foumd Saadé, op. cit.